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PubPol 671: Policy & Management in the Nonprofit Sector

Lecture 20: Social Enterprise, continued

Neel Hajra



Nonprofit/For-Profit Collision

- Proposed sale of Detroit Medical Center (nonprofit) to Vanguard Health Systems (for-profit)
- The Good: “The large debt load of the DMC can be reduced. Plus, an infusion of cash can fund the needed upgrades the facility has been struggling years to implement.”
- The Bad?

Health Care Bill

“Buried in the bill is a provision co-authored by Senator Grassley that imposes new requirements on nonprofit hospitals including a requirement that the IRS review the tax-exempt status of each hospital every three years and that the Treasury and Health and Human Services departments submit an annual report to Congress on the level of charity care, bad debt expenses and unreimbursed costs for nonprofit hospitals.”

-Independent Sector Policy Update



Washtenaw County Forecast

Source: George A. Fulton and Donald R. Grimes, University of Michigan Institute for Research on Labor, Employment, and the Economy (March 2010)

Forecast of Employment in Washtenaw County by Major Industry Division*
2010-12

	Actual 2008	Estimate '08-'09	Employment Change				Average Annual Wage 2008
			'09-'10	'10-'11	'11-'12	'08-'12	
TOTAL JOBS (Number of persons)	186,883	-5,858	-66	612	2,079	-3,233	\$ 48,987
(Annual percentage change)	(-2.0)	(-3.1)	(0)	(0.3)	(1.1)		
TOTAL PRIVATE	120,688	-7,216	-160	482	1,787	-5,107	47,618
GOODS-PRODUCING	19,720	-3,362	-361	-748	127	-4,344	66,550
Natural resources, mining, construction	4,296	-598	-106	38	122	-544	50,845
Manufacturing	15,424	-2,764			5	-3,800	70,924
Motor vehicles	5,764	-1,591			-47	-2,483	95,857
Other manufacturing	9,660	-1,173			52	-1,317	56,046
PRIVATE SERVICE-PROVIDING	100,968	-3,854			1,661	-763	43,920
Trade, transportation, and utilities	25,460	-1,600			298	-1,346	38,424
Wholesale trade	4,682	-231			118	-112	65,080
Retail trade	16,990	-750			92	-835	25,546
Transportation, warehousing, and utilities	3,788	-619			88	-399	63,239
Information	3,479	7			96	343	60,760
Financial activities	5,456	6			93	291	49,864
Professional and business services	24,785	-2,145	61	304	603	-975	63,746
Professional, scientific, and technical	13,445	-875	89	335	389	-62	82,425
Management of companies and enterprises	1,602	-250	-21	79	104	-88	71,890
Administrative support and waste management	9,737	-1,017	-6	89	109	-825	36,614
Private education and health services	23,268	175	272	354	439	1,240	44,885
Leisure and hospitality	13,746	-403	-137	-44	46	-538	15,472
Other services	4,774	-22	80	79	84	221	28,446
GOVERNMENT	66,195	1,357	96	129	292	1,874	51,485
State government	50,758	1,435	375	431	280	2,521	52,993

What's missing?

*Some subtotals do not add to totals due to rounding of annual average computations.



Government Contracting

- “The report said that the city department relied too much on social service agencies, in what was tantamount to an honor system...”
- Comptroller: “This current honor system engaged between the agency and service providers is simply bad business practice. The City of New York is getting the raw end of this deal: poor management and no accountability.”

-New York Times, March 25, 2010 



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ESSAY

CONTEST



Collaboration

A successful charitable community must now come home ? it must do the groundwork of listening and being good neighbors and with a shared knowledge respond passionately.

Striking the right balance between mission and money, developing effective strategic partnerships, & attracting great leaders

Source: Public Policy 671 winter 2010 student cohort

Human Capital

Most critical strategies will be creating socially-focused income-generating services and training the next generation of nonprofit leaders.

Wide stakeholder engagement, distributed leadership, and radical transparency through the web will be key strategies for nonprofits of the future.

Striking the right balance between mission and money, developing effective strategic partnerships, & attracting great leaders

The charitable community must demonstrate their quality & impact by attracting top talent & developing clear outcomes to encourage greater support.



Technology

Facebook groups are great, but money talks. The non-profit sector must leverage new media to compel donors to give to the organizations that fuel their passions.

Wide stakeholder engagement, distributed leadership, and radical transparency through the web will be key strategies for nonprofits of the future.

Source: Public Policy 671 winter 2010 student cohort

Funding/Financial

Facebook groups are great, but money talks. The non-profit sector must leverage new media to compel donors to give to the organizations that fuel their passions.

501c3 survival: diversified \$ (fee4svc, individ, foundations); small, modularized tasks 4 volunteers; proof of impact (stories, stats)

The nonprofit sector must convince funders that it is to their (the funders) benefit to turn economic capital into social capital.



Mission

Charitable organizations must remain true to their mission. Keep focused on why the organization was originally created. Don't sell out!

Striking the right balance between mission and money, developing effective strategic partnerships, & attracting great leaders



Innovation

try new approaches, improve working ones, reallocate underutilized ones. Empower native communities. embrace multiple + innovative views.



PR

Make sector sexy. The environment was once a fringe, but now is trendy, has growing govt support, and attracts massive dollars. We can too!



Sector Diversity / Community

try new approaches, improve working ones, reallocate underutilized ones. Empower native communities. embrace multiple + innovative views.

A successful charitable community must now come home ? it must do the groundwork of listening and being good neighbors and with a shared knowledge respond passionately.

The Artful Proverb Award

A successful charitable community must now come home ? it must do the groundwork of listening and being good neighbors and with a shared knowledge respond passionately.

Source: Public Policy 671 winter 2010 student cohort



The Teacher's Pet Award

Striking the right balance between mission and money, developing effective strategic partnerships, & attracting great leaders
(like Neel!)

Source: Public Policy 671 winter 2010 student cohort



Bangin, Wikimedia Commons

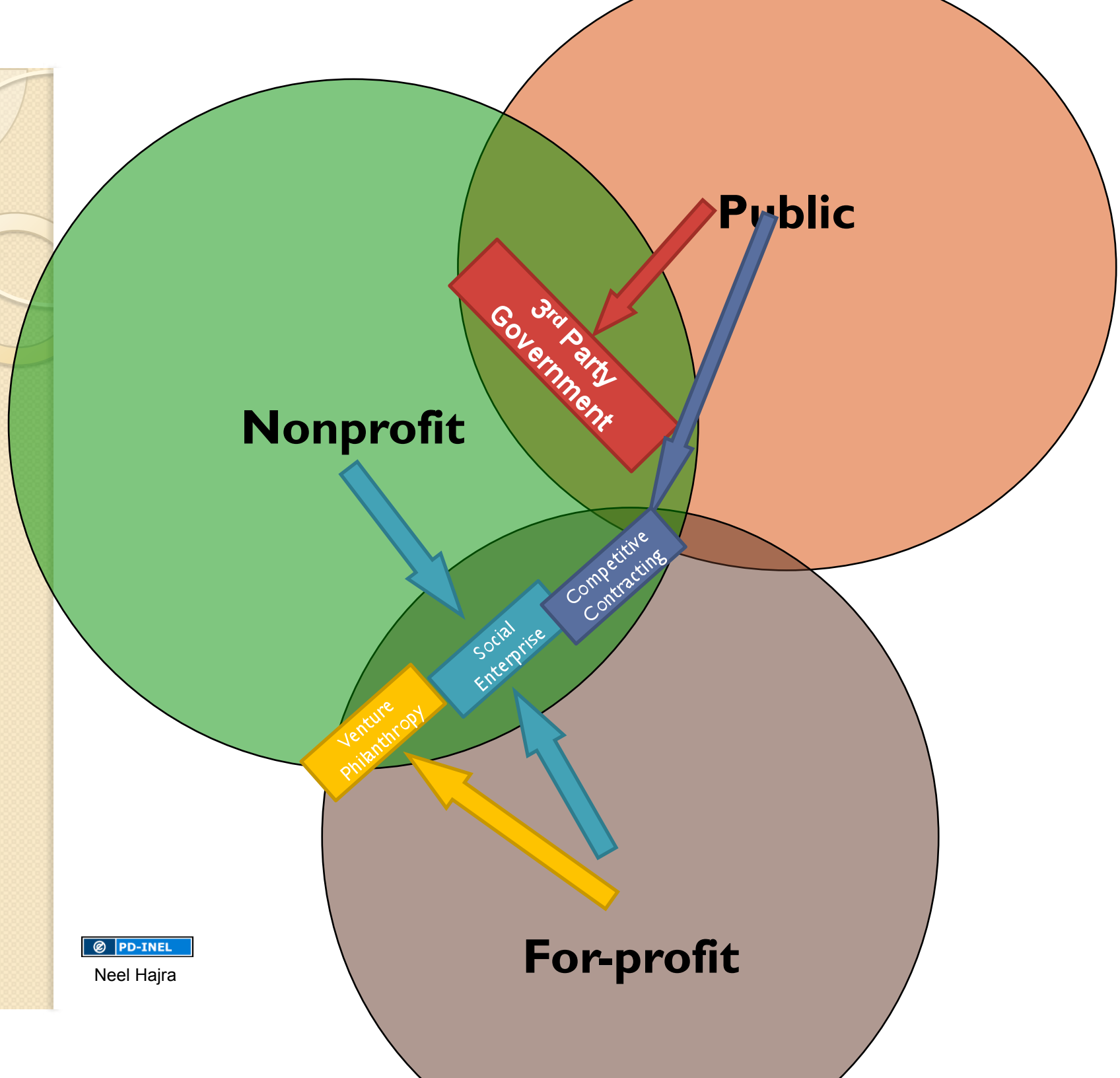
The Twittersphere Says...

	2009	2010	Total
Human Capital	3	4	7
Collaboration	2	3	5
Funding / Financial	2	3	5
Outcome Measurement	0	2	2
Technology	0	2	2
Mission	0	2	2
Sector diversity / community	0	2	2
Consolidation	2	0	2
Management / Process	2	0	2
Innovation	0	1	1
PR	0	1	1



And the Award Goes To...

501c3 survival: diversified \$ (fee4svc, individ, foundations); small, modularized tasks 4 volunteers; proof of impact (stories, stats)





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